

## RBL Bank Limited Deposit Policy

### **1. Preamble**

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stakeholders of the Banking System. The depositors and their interests form the key area of the regulatory framework for banking in India and this has been enshrined in the Banking Regulation Act, 1949. Reserve Bank of India is empowered to issue directives / advices on interest rates on deposits and other aspects regarding conduct of deposit accounts from time to time.

This policy document outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account. It further recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposit accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. This document aims in imparting greater transparency in dealing with the individual customers and create awareness among customers of their rights with an ultimate objective to ensure that the customer will get services they are rightfully entitled to receive without demand.

While adopting this policy, Bank reiterates its commitments to individual customers outlined in the code of Banks Commitment to Customers. This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services will be issued from time to time

### **2. Types of Deposits**

While various deposit products offered by the Bank are assigned different names, these can be categorized broadly into the following types. Definitions of major deposits schemes are as under:

- i) "Demand deposits" means a deposit received by the Bank which is withdraw able on demand;
- ii) "Savings deposits" means a form of interest bearing demand deposit which is subject to restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period;
- iii) "Term deposit" means a deposit received by the Bank for a fixed period withdrawable only after the expiry of the fixed period and includes deposits such as Recurring / Short Term Deposits / Fixed Deposits /Monthly Income Deposit /Quarterly Income Deposit etc. (Term deposited accepted for a tenor less than 12 months will be treated as Short Term Deposit). These deposits can be withdrawn pre-maturely (i.e. before the expiry of the fixed period) subject to the conditions mentioned in clause 7 and 8 of this policy.
- iv) Notice Deposit: means term deposit received by the Bank for a fixed period withdrawable on giving atleast one complete banking day's notice.
- v) "Current Account" means a form of non-interest bearing demand deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and will also include other deposit accounts which are neither Savings Deposit nor Term Deposit;

With the above mentioned broad categories, the Bank may introduce various products with specific product features which will be approved in Product Approval Committee (PAC)

### **3. Account Opening and Operation of Deposit Accounts**

- a. The Bank, before opening any deposit account, will carry out due diligence as required under “Know Your Customer” (KYC) guidelines issued by RBI Anti-Money laundering rules and regulations and or such other norms or procedures as per the customer acceptance policy of the Bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account will be informed to him and the final decision of the Bank will be conveyed at the earliest to him. The Bank is committed to providing basic banking services to disadvantaged sections of the society. Banking services will be offered to them through BSBDA accounts and accounts will be opened with relaxed customer acceptance norms as per regulatory guidelines.
- b. The account opening forms and other material would be provided to the prospective depositor. The same will contain details of information to be furnished and documents to be produced for verification and or for record. The bank official opening the account will explain the procedural formalities and provide necessary clarification sought by the prospective depositor when he approaches for opening a deposit account.
- c. Regulatory guidelines require banks to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information/details could result in not opening an account.
- d. Inability of an existing customer to furnish details required by the bank to fulfill statutory obligations could also result in closure of the account after due notice to the customer.
- e. Deposits products like Savings Bank Account and Current Deposit Account. Bank will normally stipulate certain average balances to be maintained as part of terms and conditions governing operation of such accounts. Failure to maintain average balance in the account will attract levy of charges as specified by the bank from time to time. For Saving Bank Account, Bank may also place restrictions on number of transactions, cash withdrawals, etc., for given period. Similarly, Bank may specify charges for issue of cheque books, additional statement of accounts, duplicate passbook, folio charges, etc. All such details, regarding terms and conditions for operation of the account and schedule of charges for various services provided will be communicated to the prospective depositor while opening the account or from time to time, as the case may be. Any change in the Terms and conditions or the schedule of charges will be communicated to the customer with due notice.
- f. A statement of account will be provided by the Bank to Savings Bank as well as Current Deposit Account Holders periodically as per the terms and conditions of opening the account. Alternatively, the Bank may issue a Pass Book to these account holders.
- g. Savings Bank Accounts can be opened for eligible person/persons and certain organizations / agencies (as advised by Reserve Bank of India from time to time)
- h. Current Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts. Departments of Authority created by Government (Central or State) Limited Liability Partnership, etc. and in accordance with the Directions/Guidelines released by Reserve Bank of India from time to time.
- i. Term Deposits Accounts can be opened by individuals / partnership firms / Private and Public Limited Companies / HUFs/ Specified Associates / Societies / Trusts, Departments of Authority created by Government (Central or State), Limited Liability Partnership, etc.

and in accordance with the Directions/Guidelines released by Reserve Bank of India from time to time

- j. The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about his occupation and source of income. Obtaining recent photograph of the person/s opening / operating the account is also part of due diligence process. The detailed due diligence process is outlined in the KYC / AML policy of the Bank.
- k. In addition to the due diligence requirements, under the KYC norms, Bank is required by law to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act / Rules. Any additional documents, apart from the KYC documents, and required under any statutory obligation, shall be collected by the Bank.
- l. Deposit accounts can be opened by an individual in his own name (status: known as account in single name) or by more than one individual in their own names (status: known as Joint Account). Savings Bank Account can also be opened by a minor jointly with natural guardian or with mother as a guardian or court appointed guardian (Status: known as Minor's Account). Minors above a specified age as decided by the Bank from time to time. will be allowed a debit card with limits or to open an account with/without cheque book. The age limit as well as the product features allowed in such accounts shall be in line with specific Directives/Guidelines issued by Reserve Bank of India and will be approved by PAC committee No overdrafts will be granted to these minor's.
- m. Savings account can also be opened by a minor represented either by a natural or legal guardian. It can also be held jointly with a major. On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / guardian, fresh specimen signature of erstwhile minor duly verified by the natural guardian would be obtained and kept on record for all operational purposes.
- n. Operation of Joint Account- The Joint Account opened by more than one individual can be operated by single individual or by more than one individual jointly. The mandate for operating the account can be modified with the consent of all account holders. In case of Minor's account, Guardian can only operate the account till the minor attains majority. If the minor is above a specified age then the account can be self-operated by the minor.
- o. The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:
  - i. Either/ Former or Survivor: If the account is held by two individuals say, A & B, the final balance along with interest, if applicable, will be paid to survivor on death of anyone of the account holders.
  - ii. Anyone or Survivor/s: If the account is held by more than two individuals say, A, B and C, the final balance along with interest, if applicable, will be applicable, will be paid to the survivor on death of any two account holders.

The mandate will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all the account holders.

- p. At the request of the depositor, Bank will register mandate/power of attorney given by him authorizing another person to operate the account on his behalf.
- q. The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity. In case of absence of any instructions deposits will be

treated as an auto renewal deposit and should be renewed for a similar period with the applicable interest rates as on the date of such renewal.

- r. Nomination facility is available on all deposit account opened by the individuals. Nomination is also available to an account opened by a sole proprietor. Nomination can be made in favour of one individual only, including a minor. Nomination so made can be cancelled or changed by the account holder/s any time. While making nomination, cancellation or change thereof, it is required to be witnessed by a third party only if the form carries the thumb impression of the account holder. Nomination can be modified by the consent of all account holder/s.
- s. Bank recommends that all depositors avail nomination facility. The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the account as a trustee of legal heirs. The depositor will be informed of the advantages of the nomination facility while opening a deposit account.
- t. The deposit accounts may be transferred to any other branch of the Bank at the request of the depositor.
- u. Accounts of Illiterate/Blind Persons: The Bank may at its discretion open deposit accounts other than Current Account of an illiterate person. The account of such person may be opened provided he/she calls on the Bank personally along with a witness who is known to both the depositor and the Bank., No cheque book facility is provided for such Savings Bank Account. At the time of withdrawal/ repayment of deposit amount and/or interest, the account holder should affix his / her thumb impression or mark in the presence of the authorized officer who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook etc. given to the account holder. The Bank official shall explain the terms and conditions governing the account to the illiterate person / blind person.
- v. Addition or deletion of the name/s of joint holders: The bank may at the request of all the joint account holders allow addition or deletion of name/s of joint account holder/s if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder.
- w. Inactive Accounts: Accounts which are not operated for one year will be tagged as inactive accounts in the interest of depositor as well as the Bank. An intimation letter shall be sent to the depositor on account turning inactive. Customer can activate the account by performing a financial transaction in the account.
- x. Dormant Accounts : Account which are not operated for two years will be transferred to a separate dormant/inoperative account status in the interest of the depositor as well as the Bank. The depositor will be intimated 3 months in advance of categorizing the account as dormant. The depositor will also be informed of charges, if any, which the Bank will levy on dormant/inoperative accounts. The depositor can request the Bank to activate the account for operating it as per the Dormant account policy of the Bank.
- y. Unclaimed Deposits/Inoperative accounts in Banks:
  - i. "Inoperative accounts"- savings as well as current account will be treated as inoperative/dormant if there are no transactions in the account for over a period of two years.
  - ii. "Unclaimed deposit accounts" means accounts, which have not been operated upon for ten years (in the case of money deposited for a fixed period the said term of ten years shall be reckoned from the date of the expiry of such fixed period).

- iii. In an effort to play a more pro-active role in finding the whereabouts of the account holders of unclaimed deposits/inoperative accounts, the list of such accounts which are inoperative for ten years or more has been displayed on our Bank's website. For Individual Customers, the list so displayed on the website contains the names of the account holder(s) and his/her address in respect of unclaimed deposits/ inoperative accounts. For Non Individual Customers, the list so displayed on the website contains the names of the Entity and its address in respect of unclaimed deposits/inoperative accounts.

#### **4. Interest Payments**

##### Savings Bank Accounts

- a) Interest Payments: : Interest shall be paid on savings account at the rate decided by the Bank within the general guidelines issued by Reserve Bank of India and approved by the Asset Liability Committee from time to time.
- b) Further, interest on savings bank account shall be calculated as per the method specified by RBI from time to time. The same will be placed before Asset Liability Committee for approval.
- c) RBI has permitted banks to offer an additional interest rate of 1% to members of staff. The Bank may hence exercise its discretion in this regard. Reserve Bank of India however currently prohibits from offering this additional rate to its non-resident staff members. The Bank may at it's discretion and in line with the powers vested in ALCO by the Board, allow higher rates to be offered to its staff on NR deposits, if the guidelines so permit in the future

##### Term Deposits

- a) Term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time. These rates are approved by ALCO. (Asset Liability Committee).
- b) RBI has permitted banks to formulate fixed deposit schemes specifically meant for senior citizens offering higher and fixed rate of interest as compared to normal deposits of any size. Accordingly, the Bank will pay additional interest at the rates to be decided from time to time by the ALCO. Currently, Directions/ Guidelines issued by Reserve Bank of India do not allow offering of senior citizen rates to non-resident customers. The Bank may at it's discretion and in line with the powers vested in ALCO by the Board, allow higher rates to be offered to senior citizens on NR deposits, if the guidelines so permit in the future. Such rates shall be published on the Bank's website. (Senior Citizen Deposits can be opened by persons who are 60 years and above, individually or jointly with any other person below the age of 60 years subject to the condition that the Senior Citizen is the first holder/depositor.)
- c) Interest on fixed deposit is payable at such periodicity as contracted at the time of opening an account and at specified rates from time to time within the parameters laid down by RBI/IBA

#### **5. Method of calculation on interest on Term Deposits**

- a) The method of calculation of interest on fixed deposits, both Traditional and cumulative is as follows: For Traditional Fixed Deposits with quarterly payouts interest is calculated on annual rates (simple interest). However, in case of monthly payouts, though interest is calculated at annual rate, the interest is paid at discounted rate.
- b) For traditional fixed deposits, interest is calculated on the principal amount for completed quarters and then for the balance period, interest is calculated for completed months and further for incomplete month for actual number of days. For Reinvestment Deposits/ Cumulative Fixed Deposits, interest is compounded on completion of each quarter. For the

broken period beyond completed quarter, simple interest is calculated on the cumulated deposit amount for the actual number of days. Reinvestment Deposits are not issued for less than 181 days. In case of FCNR deposits, 6 months is defined as 180 days, in line with the current directives issued by Reserve Bank of India. The same shall be changed in line with the regulatory guideline.

- c) For the purpose of interest rate calculation for actual number of days (in case interest is calculated for incomplete month), the denominator is taken as 365 days irrespective of the leap year. In case of FCNR deposits, the denominator is taken as 360 days in line with the prevailing regulatory guideline.
- d) Interest on overdue deposits (term deposits matures and proceeds are unpaid). The amount left unclaimed with the Bank shall attract rate of interest applicable on the respective savings bank account.
- e) The rate of interest on deposits will be prominently displayed in the branch premises and also on Banks website www.rblbank.com. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.
- f) i) Payment of interest on Term Deposit maturing on Sunday/Holiday/Non- Business Working Day – In respect of a Term Deposit maturing for payment on a Sunday or a Holiday or a Non-Business Working Day Interest shall be paid at the originally contracted rate on the deposit amount for the Sunday/Holiday/Non-Business Working Day ), intervening between the date of the expiry of the specified term of the Deposit and the Date of Payment of the proceeds of the Deposit on the succeeding working day.

#### **6. TDS (Tax Deducted at Source)**

- a) Bank has statutory obligation to deduct tax at source if the total interest paid / payable on all term deposits held by a person exceeds the amount specified under the Income Tax Act. Bank will issue a tax deduction certificate (TDS Certificate) for the amount of tax deducted. The depositor, if entitled to exemption from TDS can submit declaration in the prescribed format at the beginning of every financial year. Additionally, the Bank has an obligation to deduct TDS at source on interest income earned on NRO savings and term deposits, irrespective of the total amount of interest earned.
- b) The TDS amount could be deducted either from interest component or the principal value, in case of any shortfall on account of pre-mature closure or breach of TDS threshold limits, wherever the TDS exemption certificates have been submitted.

#### **7. Pre-mature withdrawal of term deposits and differentiated rate of interest on term deposits without pre-mature withdrawal facility:**

For term deposits of Rs. 1.50 million and below, one lakh fifty thousand only, the Bank on request from the depositor shall allow withdrawal of term deposit before completion of the period of the deposit agreed upon at the time of placing the deposits.

In the term deposit buckets where the Bank offers both, deposits with/ without premature withdrawal facility, customer shall be given the option to choose between the two facilities. For term deposits without premature withdrawal facility, the Bank may offer differential rate of interest. The Bank, shall, however disclose in advance the schedule of interest rate payable on term deposits. Bank would, however, notify such depositors of its policy of disallowing premature withdrawal in advance, i.e., at the time of accepting such deposits.

#### **8. Penal Interest on pre-mature withdrawal of term deposits:**

Bank shall declare their penal interest rates policy for premature withdrawal of term deposit. Bank shall make depositors aware of the applicable rate along with the deposit rate.

**9. Pre-mature renewal of term deposits**

In line with the Directions/Guidelines issued by Reserve Bank of India, If the depositor having an existing Term Deposit applies for re-investment into another scheme of Fixed Deposit, the existing deposit would be closed prematurely after charging penalty as per the existing penalty rate. The Bank may at its discretion and the powers vested in ALCO by the Board, change the above mentioned policy, if and when the Directions/ Guidelines undergo a change. The changes if any, shall be prominently displayed on the Bank's website.

**10. Renewal of overdue term deposits**

- a) All fixed deposits booked on or after April 1, 2015 amounting to Rs. 1 Crore & below, shall be placed under auto renewal mode, unless otherwise instructed by the Customer/s. On the date of maturity, such fixed deposits shall be auto renewed for the original term of the respective fixed deposits at such rate of interest as would be applicable on that date to the amount being auto renewed. All Fixed Deposit where the maturity instruction is not available (Existing Deposits or Deposits above Rs. 1 Crore) we will initiate intimation about due date of maturity at least fifteen days in advance to the depositors in order to obtain maturity instruction. Failure to get any maturity instructions will result into an overdue deposit, such overdue deposit will attract savings bank rate of interest. Exceptions include Tax Savings Fixed Deposit & recurring deposits, lien marked deposits for offering as collateral, or any other regulatory deposit where Auto Renewal is not permitted.
- b) If request for renewal is received after the date of maturity, such overdue deposits will be renewed with effect from the date of maturity at interest rate applicable as on the due date, provided such request is received within 14 days from the date of maturity. In respect of overdue deposits renewed after 14 days from the date of maturity, interest for the overdue period will be paid at the rates decided by the Bank from time to time.

**11. Advances against deposits:**

The Bank may consider request of the depositor/s for overdraft facility against term deposits duly discharged by the depositor/s on execution of necessary security documents.

**12. Settlement of dues in deceased deposit account**

- i. If the depositor has registered nomination with the Bank; – the balance outstanding in the account of the deceased depositor will be transferred to the account of / paid to the nominee after the Bank satisfies about the identity of the nominee, etc.
- ii. The above procedure will be followed even in respect of a joint account and where not all depositors are deceased and nomination is registered with the Bank.
- iii. In a joint deposit account, when one of the joint account holders dies, the Bank is required to make payment jointly to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint account holders had given mandate for disposal of the balance in the account in the forms such as "either or survivor, former / latter or survivor, anyone of survivors or survivor; etc., the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.
- iv. In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of deceased person against joint application

and indemnity by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by the Board. This will ensure that the common depositors are not put to hardship on account of delays in completing legal formalities.

### **13. Interest payable on term deposit in deceased account**

- i. In the event of death of the depositor before the date of maturity of deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay simple interest at the applicable rate obtaining on the date of maturity, for the period for which the deposit remained with the Bank beyond the date of maturity; as per the Bank's policy in this regard.
- ii. However, in the case of death of the depositor after the date of maturity of the deposit, the bank shall pay interest at savings deposit rate from the date of maturity from to the date of payment.
- iii. In respect of Balances lying in Current a/c standing in the name of Deceased Individual / Sole Proprietorship Concern, interest shall be paid from the date of death of the depositor till the date of repayment to the claimant at the rate of interest applicable to Savings Deposits as on the date of payment.
- iv. In case of NRE deposit when the claimants are residents, the deposit on maturity shall be treated as domestic Rupee deposit and interest shall be paid for the subsequent period at a rate applicable to the domestic deposit of a similar maturity.

### **14. Customer Information**

The information collected from the customer shall not be used for cross-selling of services and products by the Bank, their subsidiaries and affiliates. If the Bank proposes to use such information it should be strictly with the consent of the account holder.

### **15. Insurance Cover for Deposits**

All bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions. The details of the insurance cover in force, will be made available to the depositor.

### **16. Stop Payment Facility**

The Bank will accept stop payment instruction from the depositors in respect of cheques issued by them. Charges, as specified, will be recovered.

### **17. Safe Deposit Lockers**

This facility is not offered through all bank branches and wherever the facility is offered, allotment of safe deposit vault will be subject to availability and compliance with other terms and conditions attached to the service. Safe deposit lockers may be hired by an individual (being not a minor) singly or jointly with another individual(s), HUFs, firms, limited companies, etc. Nomination facility is available to individual(s) holding the lockers singly or jointly. Joint locker holders can give mandate for access to the lockers in the event of death of one of the holders on the lines similar to those for deposit accounts. In the absence of nomination or mandate for disposal of contents of lockers, with a view to avoid hardship to common persons, the bank will release the contents of locker to the legal heirs against indemnity on the lines as applicable to deposit accounts.

### **18. Secrecy of customer's accounts**



Bank shall not disclose details / particulars of the customer's account to a third person or party without the expressed or implied consent from the customer. However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose and where interest of the Bank requires disclosure.

**19. Redressal of complaints and grievances**

Depositors having any complaint / grievance with regard to services rendered by the Bank has a right to approach authority(ies) designated by the Bank for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances will be displayed in the branch premises. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the Bank within 30 days from date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

**20. Policy Revision**

This policy is subject to revision based on the extant RBI guideline from time to time